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★ DEC 17 2010 ★

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

LONG ISLAND OFFICE 10-1492M

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UNITED STATES OF AMERICA

A F F I D A V I T A N D  
C O M P L A I N T

- against -

(T. 18, U.S.C., §§ 1341,  
1343 and 2)

RICHARD ABRAHAM COHEN,  
also known as "Rick Cohen"  
and "R.A. Cohen," and  
FRANCES OBEDA,  
also known as "Linda Obeda,"

Defendants.

- - - - -X

EASTERN DISTRICT OF NEW YORK, SS:

MATTHEW GALIOTO, being duly sworn, deposes and says  
that he is a Special Agent with the Federal Bureau of  
Investigation ("FBI"), duly appointed according to law and  
acting as such.

COUNT 1

Wire Fraud

Upon information and belief, on or about and between  
January 1, 2007 and December 17, 2010, within the Eastern  
District of New York and elsewhere, the defendant RICHARD ABRAHAM  
COHEN, also known as "Rick Cohen" and "R.A. Cohen," together with  
others, knowingly and intentionally devised a scheme and artifice  
to defraud, and obtain money and property by means of false and  
fraudulent pretenses, representations, and promises and  
transmitted and caused to be transmitted by means of wire, radio

and television communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds for the purpose of executing such scheme and artifice.

(Title 18, United States Code, Sections 1343 and 2)

The source of your deponent's information and the grounds for his belief are as follows:

1. I have been a Special Agent with the FBI for over fifteen years. The facts set forth in this complaint and affidavit are based on my personal knowledge and observations, conversations with other agents of the FBI, review of documents and interviews of witnesses.<sup>1</sup>

2. The North Shore Motor Group, Inc. ("North Shore"), is a New York corporation that maintains its place of business at 175 East Shore Road in Great Neck, New York. NSMG LLC ("NSMG") is a related New York limited liability corporation that also maintains a place of business at 175 East Shore Road in Great Neck, New York. CDMS, Inc. ("CDMS"), is a New York corporation that maintains its principal place of business at 565 Plandome Road in Manhasset, New York. North Shore, NSMG and CDMS are in the business of locating and obtaining high-end motor vehicles on behalf of their customers and delivering those vehicles to those customers. RICHARD ABRAHAM COHEN is the owner and president of

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<sup>1</sup> Because the purpose of this Complaint and Affidavit is only to state probable cause, I have not set forth each and every fact learned during the course of this investigation.

North Shore, NSMG and CDMS.

3. Based on the results of the investigation to date, it appears that the defendant RICHARD ABRAHAM COHEN has engaged in a loan scheme to fraudulently obtain money from North Shore, NSMG and CDMS customers and financial institutions by using interstate wires.

#### The Loan Scheme

4. In or about November 2009, John Doe # 1, an individual whose identity is known to me, arranged to buy a 2010 Mercedes Benz GL450. RICHARD ABRAHAM COHEN told John Doe # 1 that he could offer a reduced price if: (1) John Doe # 1 paid the entire purchase price up front by check and (2) John Doe # 1 applied for a "short-term" purchase loan. RICHARD ABRAHAM COHEN falsely told John Doe # 1 that COHEN would pay off the "short-term" loan as soon as the check cleared and that the financing would trigger certain customer satisfaction incentives. Based on RICHARD ABRAHAM COHEN's representations, John Doe # 1 issued a \$45,000.00 check to "North Shore Motor Group" and also filled out a loan agreement. The loan agreement was executed by John Doe # 1 on or about December 1, 2009. RICHARD ABRAHAM COHEN transmitted the loan agreement by fax to a Mercedes Benz dealer located in Queens, New York with knowledge that interstate faxes and electronic messages would be used by the dealer to process a loan for the above-described vehicle from GMAC bank, now known as Ally Financial. Among other places, this loan application was

sent via interstate wire to a processing center in Jacksonville, Florida.

5. RICHARD ABRAHAM COHEN deposited John Doe # 1's check on or about December 3, 2009, into a North Shore business bank account held at Wachovia bank. In or about December 2009, RICHARD ABRAHAM COHEN delivered the 2010 Mercedes Benz GL450 to John Doe #1. However, RICHARD ABRAHAM COHEN never paid off or otherwise satisfied the loan. In or about January 2010, RICHARD ABRAHAM COHEN contacted John Doe # 1 and told him to ignore any letters or bills from any bank regarding the 2010 Mercedes Benz GL450. Later in January 2010, RICHARD ABRAHAM COHEN contacted John Doe # 1 about the 2010 Mercedes Benz GL450 and told him that there had been a paperwork error but that the bank bills were resolved. RICHARD ABRAHAM COHEN sent additional lulling messages via electronic mail to John Doe # 1 in February, March, April and May of 2010.

6. In or about July 2010, GMAC, now known as Ally Financial, repossessed the 2010 Mercedes Benz GL450 from John Doe # 1's home. Contrary to the repeated false representations that RICHARD ABRAHAM COHEN made to John Doe # 1, COHEN had never satisfied the supposedly short-term loan but had instead kept both proceeds from John Doe # 1's check and the proceeds from the loan.

7. Based upon my review of the documentary evidence and witness interviews, RICHARD ABRAHAM COHEN approached dozens

of other vehicle customers with the Loan Scheme and fraudulently obtained money from them and other financial institutions. That is, the victims, who were seeking to obtain a discount on the purchase price of a motor vehicle, signed what they believed to be a special, short-term loan application. RICHARD ABRAHAM COHEN then transmitted the loan application through electronic means across state lines and kept the proceeds from the loans. Consistent with COHEN's fraudulent conduct described above, although COHEN made some payments on the loans, COHEN eventually allowed the loans to go into default. COHEN never told the victims that he had not paid off the loans and used some of the proceeds from the loans for his own purposes.

#### COUNT 2

##### Mail Fraud

Upon information and belief, on or about and between March 27, 2007 and December 17, 2010, within the Eastern District of New York and elsewhere, the defendants RICHARD ABRAHAM COHEN, also known as "Rick Cohen" and "R.A. Cohen," and FRANCES OBEDA, also known as "Linda Obeda," together with others, knowingly and intentionally devised a scheme and artifice to defraud and obtain money and property by means of false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, placed and caused to be placed in a post office or authorized depository for mail matter, matters and things to be sent and delivered by the Postal Service, and by

private or commercial interstate carrier.

(Title 18, United States Code, Sections 1341 and 2)

The source of your deponent's information and the grounds for his belief are as follows:

8. The allegations contained in paragraphs 1 through 7 are realleged and incorporated as if fully set forth in this paragraph.

9. Based on the results of the investigation to date, it appears that the defendants RICHARD ABRAHAM COHEN and FRANCES OBEDA have engaged in a trade-in scheme to fraudulently obtain money and property from North Shore, NSMG, CDMS customers and financial institutions through the use of the United States mail and private carriers.

10. The FBI, on approximately nine occasions, made audio recordings of telephone and in-person conversations between FRANCES OBEDA, also known as "Linda Obeda," and COHEN. OBEDA worked as an employee for an unrelated car dealership in Brooklyn, New York. In the recordings, OBEDA, in sum and substance, admitted that she fraudulently forged and altered title and lien documents and mailed those same fraudulent documents in order to fraudulently induce the New York State Department of Motor Vehicle ("DMV") to issue "clean" title documents to vehicles that were, in fact, encumbered by liens. OBEDA described how she created the forged lien release documents with a typewriter. As reflected in the audiotapes, FRANCES OBEDA

also admitted in substance to receiving payment from RICHARD ABRAHAM COHEN for creating documents to fraudulently obtain "clean" titles to vehicles that were, in fact, subject to liens. OBEDA had no official connection with North Shore, NSMG, CDMS, the customers of those companies for the vehicles that they provided or to the financial institutions that loaned money for the purchase of the vehicles. OBEDA's sole connection to the scheme was to fraudulently induce the DMV to issue "clean" title documents.

#### The Trade-In Scheme

11. In or about November 2008, John Doe # 2, an individual whose identity is known to me, used RICHARD ABRAHAM COHEN to trade in a 2008 Jaguar XKR for credit toward the purchase of another car. John Doe # 2 had purchased the 2008 Jaguar XKR using a loan funded by Jaguar Credit. On or about November 4, 2008, COHEN falsely told John Doe # 2 that the remainder of the Jaguar Credit loan on the Jaguar XKR had been paid off as part of the trade-in.

12. On or about November 4, 2008, RICHARD ABRAHAM COHEN faxed instructions to FRANCES OBEDA, also known as "Linda Obeda," to remove the Jaguar Credit lien from the DMV records for the 2008 Jaguar XKR. I have reviewed faxes that contain those instructions, which do not include an actual lien release form from Jaguar Credit. This is because no actual lien release existed. In fact, I have confirmed that Jaguar Credit was not

aware of the activities of RICHARD ABRAHAM COHEN and FRANCES OBEDA and did not authorize anyone to remove the lien. Based upon OBEDA's statements on the aforementioned recordings, I believe that OBEDA created the forged Jaguar Credit lien release document. On or about November 6, 2008, using the United States mail, RICHARD ABRAHAM COHEN and FRANCES OBEDA, together with others, submitted a forged lien release document to the DMV for the purpose of removing the Jaguar Credit lien from the DMV records. This false and fraudulent document caused the DMV to issue a "clean" title for the above-described 2008 Jaguar XKR to COHEN. Based upon the information from Jaguar Credit, OBEDA and COHEN received no lien release documents and had no authority to remove any liens. Jaguar Credit had no relationship with OBEDA or her legitimate employer regarding the above-described Jaguar XKR.

13. In addition to submitting forged lien release documents for hundreds of vehicles, FRANCES OBEDA also changed the mailing address on DMV accounts to 175 East Shore Road, Great Neck, New York, which she knew was the address of North Shore and NSMG. This change was made to ensure that the documents would be delivered to COHEN and thereby conceal the fact that COHEN had not satisfied the loans from the customers and the lien-holders.

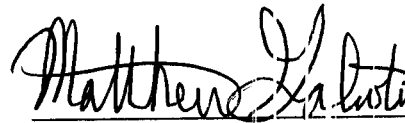
14. John Doe # 2's loan was never paid off and the Jaguar XKR was eventually sold to a third person who had no knowledge of the prior loan and associated Jaguar Credit lien.



On or about August 17, 2010, John Doe # 2 was sued by the lienholder in connection with the unpaid loans on the 2008 Jaguar XKR. Based upon my review of the documentary evidence and interview of witnesses, dozens of additional people fell victim to the trade-in scheme.

15. My review of the documentary evidence and witness interviews also revealed that the two schemes used by the defendants targeted purchasers of high-end vehicles. In addition to the vehicles described above, these vehicles included Porsches, Range Rovers, Lexuses, BMWs, Maseratis, Aston Martins, Lotuses, Cadillacs and Bentleys. My review of the evidence also revealed that individuals, including current and former members of the New York Islanders hockey team, lost in excess of \$9,500,000.00 as a result of COHEN and OBEDA's fraudulent activities. It is also estimated that financial institutions and lenders lost millions of additional dollars while attempting to collect on their loans and assert their lienholder rights.

WHEREFORE, your deponent respectfully requests that arrest warrants be issued for the defendants RICHARD ABRAHAM COHEN, also known as "Rick Cohen" and "R.A. Cohen," and FRANCES OBEDA, also known as, "Linda Obeda," so that they may be dealt with according to law.

  
Matthew Galioto  
Special Agent, FBI

Sworn to before me this  
17th day of December, 2010

/S/ E. Thomas Boyle, MJ

THE HONORABLE E. THOMAS BOYLE  
UNITED STATES MAGISTRATE JUDGE  
EASTERN DISTRICT OF NEW YORK